

# FISCAL NOTE

**Bill #:** HB0616

**Title:** Revise endowed philanthropy tax credit

**Primary Sponsor:** Younkin, C

**Status:** As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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## Fiscal Summary

### FY 2004 Difference

### FY 2005 Difference

#### Revenue:

General Fund

\$2,604,000

\$1,849,000

#### Net Impact on General Fund Balance:

\$2,604,000

\$1,849,000

- |   |   |
|---|---|
| <input type="checkbox"/> Significant Local Gov. Impact    | <input type="checkbox"/> Technical Concerns                       |
| <input type="checkbox"/> Included in the Executive Budget | <input checked="" type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached  | <input type="checkbox"/> Needs to be included in HB 2             |

## Fiscal Analysis

### ASSUMPTIONS:

1. This act is effective on passage and approval.
2. This bill repeals Sections 2,4,6, and 8 of Chapter 24, Special Laws of August 2002 (SB15, 2002 Special Session). This repeals the provisions of current law that would have increased the charitable endowment tax credit to 50% of value up to a maximum of \$13,400 for “planned gifts”, and 26.7% of value up to a maximum of \$13,400 for outright gifts, for the period July 1, 2003 through April 30, 2004. As a result, the tax parameters of this credit remain at the levels established in SB15 of 30% of value up to a maximum of \$6,600 for planned gifts, and 13.3% of value up to a maximum of \$6,600 for outright gifts.
3. Repealing Sections 2, 4, 6, and 8 of Chapter 24, Special Laws of August 2002 will reduce the amount of credit claimed (or, alternatively, increase general fund revenue) by \$2.604 million in fiscal 2004 and \$1.849 million in fiscal 2005. (DOR impact simulation based on the population of charitable endowment tax credit returns in tax year 2001).
4. There are no significant administrative impacts on the Department of Revenue for this bill.

### EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

No impact.

### LONG-RANGE IMPACTS:

Under this bill, the reduction in credit claimed (or, alternatively, the increase in general fund revenue) from repealing Sections 2, 4, 6, and 8 of Chapter 24, Special Laws of August 2002 is \$1.435 million in fiscal 2006; and \$1.507 in fiscal 2007.